Message Text

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ACTION OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 CIAE-00 INR-10 NSAE-00

COME-00 TRSE-00 AID-20 /070 W

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R 122105Z NOV 73 FM AMEMBASSY BRIDGETOWN TO SECSTATE WASHDC 6365

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E.O. 11652: N/A TAGS: EFIN AC

SUBJ: HALF MOON BAY HOTEL (ANTIGUA)

REF: STATE 222353

- 1. WHILE ANTIGUA PERHAPS HAS MORE THAN ITS SHARE OF POLITICAL AND ECONOMIC PROBLEMS AND OCCASIONALLY SHOWS SIGNS OF LATENT RACIAL HOSTILITY, IT HAS EXPERIENCED NOTHING LIKE ST. CROIX INCIDENT, AND US TOURISM POTENTIAL REMAINS PROMISING. BARRING SOME PRESENTLY UNFORESEEN DETERIORATION IN POLITICAL SITUATION, WE DO NOT CONSIDER THAT ENDEMIC POLITICAL AND ECONOMIC TROUBLES IN ANTIGUA ARE OF SUCH MAGNITUDE THAT THEY ARE LIKELY TO HAVE SIGNIFICANTLY ADVERSE IMPACT ON TOURISM IN GENERAL OR ON PARTICULAR PROJECT UNDER REFERENCE. DEPUTY U.K. REPRESENTATIVE IN ANTIGUA AGREES WITH THIS ASSESSMENT. RECENT U.S. VIRGIN ISLANDS KILLINGS MAY HAVE DISSUADED SOME POTENTIAL NORTH AMERICAN VISITORS TO CARIBBEAN IN GENERAL BUT AFFECT ON ANTIGUA HAS BEEN MARGINAL.
- 2. THIS IS NOT TO SAY THAT ANTIGUA'S TOURIST TRADE IS PROBLEM FREE. GOA HAS BEEN CONCERNED FOR SOME TIME OVER SLOWER THAN ANTICIPATED GROWTH OF TOURISM AND APPARENT DECLINES IN LENGTH OF AVERAGE STAY. BUT SUCH DECLINES ARE GENERALLY THOUGHT TO BE MORE RELATED TO RISE OF PACKAGE TOURS, HIGHER COSTS IN ANTIGUA AND TO DIFFICULTIES IN SECURING TRAINED STAFF TO RENDER SUFFICIENTLY EFFICIENT AND COURTEOUS TREATMENT TO VISITORS. LIMITED OFFICIAL USE

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RECENT INDICATIONS ARE THAT 1973-74 SEASON MAY BE SOMEWHAT

BETTER FOR ANTIGUA HOTELIERS THAN LAST TWO YEARS BECAUSE OF GOA PROMOTION EFFORTS IN U.S. AND CANADA.

- 3. ON ECONOMIC SIDE, ANTIGUA IS FACING MULTITUDE OF PROBLEMS WITH SLOW GDP GROWTH, DECLINING AGRICULTURE, AND DIFFICULTIES IN ATTRACTING SUFFICIENT INVESTMENT FROM ABROAD. GOA, STRUGGLING UNDER LARGE DEBT BURDEN, MAY TAKE COORDINATED MEASURES IN NEAR FUTURE THAT COULD IMPROVE TOURISM PROSPECTS AND PLACE ECONOMY ON MORE SECURE FINANCIAL FOOTING (REF A-207). GOA HAS BEEN UNABLE TO MEET PAYMENT SCHEDULES ON AT LEAST TWO LOAN GUARANTEES FROM U.S. EXPORT-IMPORT BANK AND THE OUTLOOK IS FOR THESE REPAYMENT DIFFICULTIES TO CONTINUE FOR SOME TIME.
- 4. EMBASSY OFFICER SPOKE TO HALF MOON BAY HOTEL ASSISTANT DIRECTOR J.P. KELLY, WHO WAS BUOYANTLY OPTIMISTIC OVER FTURE OF PROJECT AND OF FUTURE OF TOURISM IN ANTIGUA. KELLY OFFERED VIEW THAT U.S. VIRGIN ISLANDS CRIMES HAD SEVERELY HURT TOURIST TRADE THERE AND POSSIBLY IN BRITISH VIRGIN ISLANDS AS WELL, BUT STATED THAT NO EFFECTS EVIDENT IN ANTIGUA. KELLY CONFIRMED HMB BOARD MEETING TO TAKE PLACE NOVEMBER 15 AND LOOKED FORWARD TO ACCEPTANCE OF OPIC'S LATEST PROPOSALS.

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: CONSTRUCTION, TOURISM, HOTELS, INVESTMENT GUARANTEES, POLITICAL SITUATION

Control Number: n/a Copy: SINGLE Draft Date: 12 NOV 1973 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BRIDGE01564

Document Number: 1973BRIDGE01564 Document Source: CORE Document Unique ID: 00 Drafter: n/a

Enclosure: n/a Executive Order: N/A Errors: N/A Film Number: n/a From: BRIDGETOWN Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1973/newtext/t19731140/aaaabdno.tel Line Count: 83

Locator: TEXT ON-LINE Office: ACTION OPIC

Original Classification: LIMITED OFFICIAL USE

Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2

Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE

Previous Handling Restrictions: n/a Reference: STATE 222353

Review Action: RELEASED, APPROVED Review Authority: garlanwa

Review Content Flags: Review Date: 15 JAN 2002

Review Event:

Review Exemptions: n/a Review History: RELEASED <15-Jan-2002 by boyleja>; APPROVED <04-Feb-2002 by garlanwa>

Review Markings:

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: HALF MOON BAY HOTEL (ANTIGUA)

TAGS: EFIN, AC To: STATE

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005